

**Green Power Providers
Frequently Asked Questions
For Public Use
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Q. Why has the name of Generation Partners changed to Green Power Providers?

A. The name was changed to Green Power Providers to align more with Green Power Switch and send a signal that we have a new long-term renewable program with features that distinguish it from the previous pilot program.

Q. What are the key features of the new Green Power Providers program?

A. Key features include:

- The maximum project size will be 50 kilowatts.
- Eligible resources in the Green Power Providers program will be solar, wind, biomass and hydro.
- Initial incentive payments of \$1,000 will be provided to participants to help offset installation costs.
- The contract terms are being increased to a length of 20 years.
- Eligibility is being expanded to include TVA's directly served customers.
- Participants will be paid the retail rate plus a generation premium for the first 10 years of the contract. For years 11-20, participants will be paid the retail rate only.
- Premium amounts will be reviewed and evaluated annually with plans to phase them out over time.
- Participation will be subject to annual limits to reflect budgets, the value of renewable technologies to TVA and renewable market conditions.
- Once a Participant has a system generating under the terms of the Participation Agreement, the premium will be locked in for the first 10 years of a 20 year agreement.

Q. Why is the maximum project size 50kW?

A. The new program will be targeted to small- scale renewable projects for residential and commercial customers who wish to offset a portion of their usage by generating renewable energy. Approximately 90% of Generation Partners projects are less than 50kW.

Q. Is eligibility being expanded to include any other customers or projects that don't currently qualify for Generation Partners?

A. TVA is continuing to work with stakeholders, power distributors and TVPPA on the specifics of the new program guidelines. The new program will be open to TVA directly served customers. There is no change in eligible technologies.

Q. Why has the contract term increased from a 10 to 20 year term?

A. Many of our stakeholders requested that we consider a longer contract term for a number of reasons, including: 1) some eligible renewable generation technologies have expected lifetimes of 20 years and are under warranty for up to 20-25 years, and 2) a 20-year term allows customers to more easily attain financing for their projects.

Q. Will my premium change during the first 10 years of my contract?

A. No, once a participant enters the program and is generating under the terms of the Participation Agreement, the premium will be locked in for the first 10 years. The premium is locked in once a customer applies for program participation, including 1) all required application

fees have been paid to the local power company, 2) an Interconnection Application has been submitted to and approved by the local power company, and 3) TVA and the local power company have approved, signed, and dated the Participation Agreement.

Q. When is my premium locked in? When the PA is signed or when the system is completed?

A. The premium is determined when the project is commissioned and accepted onto the distributor's system.

Q. My contract term is currently 10 years, how do I get 20 years?

A. Existing participants may qualify for contract extensions for an additional ten years to be paid at the retail rate only. No premium will be paid during these years, and TVA will own the Renewable Energy Credits (RECs).

Q. What factors will TVA consider when reviewing and evaluating premium incentives?

A. TVA will consider a number of factors, including:

- Program participation
- Installed cost of renewable energy
- Green Power Switch participation
- Available annual budget
- Potential renewable and/or clean energy legislation

Q. If I receive the retail rate only in years 11-20 of the contract term, who will receive the Renewable Energy Credits (RECs)?

A. TVA will continue to receive the RECs for the full 20-year contract term.

Q. Why does TVA plan to review and evaluate premiums annually with plans to phase them out over time?

A. As renewable energy system costs continue to decrease and become more affordable, there is less need for subsidies for small-scale renewable generation. TVA wants to promote sustainable growth in small-scale renewable generation, while continuing to support the local industry and provide a smooth path to grid parity.

Q. What are the new, adjusted premiums and associated schedule?

A. As TVA has previously committed, premium incentives will remain at current Generation Partners levels through calendar year 2012. These incentives are 12 cents for solar and 3 cents for wind, biomass, and small hydro. TVA is continuing to work with stakeholders, power distributors and TVPPA on the specifics of the new program guidelines and expects the new program to be available for power distributors' consideration by April 1, 2012. TVA will continue to accept new applications under the existing Generation Partners pilot through the transition.

Q. Should I apply for Generation Partners now, or wait until Green Power Providers is available?

A. TVA is continuing to work with stakeholders, power distributors and TVPPA on the specifics of the new program guidelines and expects the new program to be available for power distributors' consideration by April 1, 2012. If your project qualifies under the existing terms of the Generation Partners program, you may apply through the transition. Contact your local power distributor for more information.

Q. When will I know if my project qualifies for the new program?

A. TVA is continuing to work with stakeholders, power distributors and TVPPA on the specifics of the new program guidelines. TVA expects the new program to be available for distributors' consideration by April 1, 2012, and will continue to accept new applications under the existing Generation Partners pilot through the transition.